

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
FIRST DIVISION**

**CHRONICLE SECURITIES
CORPORATION and ROBERTO
COYIUTO, JR.,**
Petitioners,

-versus-

**G.R. No. 157907
November 25, 2004**

**NATIONAL LABOR RELATIONS
COMMISSION, HON. LABOR
ARBITER ARIEL C. SANTOS and
NEAL H. CRUZ,**
Respondents.

X-----X

DECISION

YNARES-SANTIAGO, J.:

This is a petition for review under Rule 45 of the Rules of Court seeking to set aside the Decision^[1] of the Court of Appeals dated November 13, 2002 in CA-G.R. SP No. 67933, entitled, "*Chronicle Securities Corporation, et al. vs. National Labor Relations Commission, et al.*," which denied the Petition for Certiorari^[2] and affirmed the February 28, 2001 Order^[3] of the National Labor Relations Commission.

The factual antecedents of the present petition are as follows:

Sometime in September 1993, petitioners hired private respondent Neal H. Cruz, who was then the executive editor of the Today newspaper, as the publicist and the editor in chief of its national daily broadsheet, the Manila Chronicle. As compensation for his services, private respondent received a monthly compensation of P60,000.00 plus a brand new car. [4]

Thereafter, private respondent quit his job with Today to assume the duties and responsibilities as the editor in chief of the Manila Chronicle. Private respondent went about the task of improving the over-all image of the Manila Chronicle. He made full use of its color capabilities and introduced new columns and sections. In time, these initiatives helped improve the financial condition of the Manila Chronicle, boosting circulation and increasing advertising revenue. [5]

However, due to private respondent's role in the publication of a controversial article that was carried by the newspaper sometime in July 1994, petitioners terminated his services. Consequently, private respondent filed a complaint for illegal dismissal against herein petitioners. [6]

On January 2, 1997, Labor Arbiter Ariel C. Santos rendered a decision [7] holding that private respondent Neal Cruz was illegally dismissed. The dispositive portion of the Labor Arbiter's decision stated:

WHEREFORE, premises considered, respondent CHRONICLE SECURITIES CORPORATION, ROBERTO COJIUTO (sic) JR., AND ONOFRE CORPUZ are hereby held guilty of ILLEGAL DISMISSAL and directed to reinstate complainant to his former position as Editor-in-Chief of Manila Chronicle immediately even pending appeal without loss of seniority rights and other benefits accruing during the pendency of this case. If reinstatement is no longer feasible, then, separation pay of one month for every year of service in addition to full backwages is hereby decreed.

In addition to the above, respondents must comply with the following:

1. Considering that respondents did not interpose any objection to the pleading of complainant that ownership of the vehicle assigned to him as part of the compensation package when he was lured by respondents to join the Manila Chronicle, the same is hereby awarded to him.
2. To pay complainant moral damages in the sum of TEN MILLION (P10,000,000.00) PESOS considering the mental anguish, social shock and besmirched reputation not to mention his near brush with death due to shame and humiliation.
3. As a correction and example for the public good in order to prevent the repetition of the same to employees equally situated like complainant, FIVE MILLION (P5,000,000.00) PESOS is hereby awarded as exemplary damages.
4. Ten percent of all sums owing to complainant is awarded as attorney's fees.

SO ORDERED.

Petitioners appealed the decision with the National Labor Relations Commission (NLRC), which affirmed the labor arbiter's decision with modification by reducing the moral damages to P500,000.00 and exemplary damages to P200,000.00.

Petitioners moved for reconsideration, which was denied on September 15, 1998.^[8] Petitioners then filed a petition for certiorari and prohibition with the Court of Appeals. However, the petition was subsequently dismissed on May 4, 1999.^[9]

Upon the finality of the Court of Appeals' decision, private respondent Neal Cruz filed a Motion for Immediate Execution^[10] of the NLRC's Decision. On October 16, 1999, Labor Arbiter Ariel Santos issued the Writ of Execution.^[11] Petitioners filed a Motion to Quash^[12] the writ of execution, which was denied on August 29, 2000.^[13]

Petitioners received copy of the Order denying their motion to quash on October 10, 2000. Hence, they had until October 20, 2000 to file their appeal. However, on October 20, 2000, Friday, at 3:30 p.m., the NLRC suspended work due to a Luzon wide power blackout.

The following Monday, October 23, 2000, petitioners filed a Manifestation with Urgent Motion to Admit^[14] with the NLRC. Attached to this motion are the petitioners' Notice of Appeal and Memorandum of Appeal. On February 28, 2001, the NLRC denied petitioners' appeal for being filed out of time.^[15] Petitioners' Motion for Reconsideration was likewise denied on August 20, 2001.^[16]

A petition for certiorari was filed by petitioners with the Court of Appeals.^[17] Finding no grave abuse of discretion on the part of the NLRC, the petition was dismissed on November 13, 2002.^[18] Petitioners' Motion for Reconsideration^[19] was likewise denied.^[20]

Hence, this petition for review, assailing the November 13, 2002 Decision and the March 17, 2003 Resolution of the Court of Appeals on the following alleged errors:

1. That the delay in the filing of petitioners' Appeal with the NLRC was justifiable and purely due to extraordinary circumstances, without fault on the part of petitioners and;
2. That the enforcement of the assailed resolutions of the Court of Appeals, the NLRC and the Labor Arbiter would result in the award of a grossly excessive and unconscionable amount to the respondent since the backwages due him were erroneously computed.

Petitioners claim that they were prepared to file their appeal within the prescribed period, were it not for circumstances beyond their control. On October 20, 2000, Friday, Romeo A. Blanca, messenger of petitioners' counsel, left the office at 2:00 p.m. to file the appeal with the NLRC. His itinerary for that afternoon included a trip to the post office to mail a copy of the appeal to the private respondent, then to the NLRC's office in Bookman Building in Quezon Avenue, Quezon City for the filing of the appeal. Purportedly, at around 2:30 p.m. of

that day, Mr. Blanca arrived at the Makati City Post Office and was able to send a copy of the Notice of Appeal with Memorandum of Appeal to adverse counsel by registered mail under Registry Receipt No. 16488.^[21] However, when he arrived at the NLRC at around 3:30 p.m., he was informed by the security guard that, owing to a Luzon-wide power failure, the NLRC has suspended its operations as early as 12:00 p.m. of that day. Thus, there was no one at the Docket Section to receive the Notice of Appeal and Memorandum. Mr. Blanca then attempted to file the appeal by registered mail, but post offices were ordered by the Postmaster General to cease operations at 3:30 p.m. that day.^[22] Thus, petitioners were able to file their appeal only the following Monday, October 23, 2000, which resulted in the dismissal thereof.

Petitioners argue that the peculiar facts surrounding their failure to file their appeal on time warrant a review of the dismissal of their appeal by the NLRC.

We agree.

The right to appeal is a purely statutory right. Not being a natural right or a part of due process, the right to appeal may be exercised only in the manner and in accordance with the rules provided therefor. Failure to bring an appeal within the period prescribed by the rules renders the judgment appealed from final and executory. (*Enriquez vs. Court of Appeals, G.R. No. 140473, 28 January 2003, 396 SCRA 377*).^[23] However, it is always within the power of this Court to suspend its own rules, or to except a particular case from its operations, whenever the purposes of justice require it. (*Equitable PCI Bank vs. Rosita Ku, G.R. No. 142950, 26 March 2001, 355 SCRA 309*).^[24]

In not a few instances, we relaxed the rigid application of the rules of procedure to afford the parties the opportunity to fully ventilate their cases on the merits. This is in line with the time honored principle that cases should be decided only after giving all parties the chance to argue their causes and defenses. Technicality and procedural imperfections should thus not serve as bases of decisions. In that way, the ends of justice would be better served. For indeed, the general objective of procedure is to facilitate the application of justice

to the rival claims of contending parties, bearing always in mind that procedure is not to hinder but to promote the administration of justice. (*El Reyno Homes, Inc. vs. Ernesto Ong, G.R. No. 142440, 17 February 2003, 397 SCRA 563*).^[25]

In *Philippine National Bank, et al. vs. Court of Appeals, [G.R. No. 108870, 14 July 1995, 246 SCRA 304]*,^[26] we allowed, in the higher interest of justice, an appeal filed three days late.

In *Republic vs. Court of Appeals, [G.R. Nos. L-31303-04, 31 May 1978, 83 SCRA 453]*,^[27] we ordered the Court of Appeals to entertain an appeal filed six days after the expiration of the reglamentary period; while in *Siguenza vs. Court of Appeals, [G.R. No. L-44050, 16 July 1985, 137 SCRA 570]*,^[28] we accepted an appeal filed thirteen days late. Likewise, in *Olacao vs. NLRC, [G.R. No. 81390, 29 August 1989, 177 SCRA 38]*,^[29] we affirmed the respondent Commission's order giving due course to a tardy appeal "to forestall the grant of separation pay twice" since the issue of separation pay had been judicially settled with finality in another case. All of the aforementioned rulings were reiterated in our 2001 decision in the case of *Equitable PCI Bank vs. Ku [G.R. No. 142950, 26 March 2001, 355 SCRA 309]*.^[30]

Moreover, the facts herein are akin to the case of *Surigao del Norte Electric Cooperative vs. NLRC, [368 Phil. 537 (1999)]*,^[31] where we upheld the NLRC's order taking cognizance of an appeal filed one day late since the delay in filing was caused by the onslaught of typhoon Besing, resulting in the closure of the Surigao Post Office on the last day for the appellant to file her appeal.

Verily, the respondent NLRC's dismissal of the petitioners' appeal in this case failed to consider the valid reasons for not being able to timely file the same.

Anent the second issue raised by the petitioners, i.e., the matter of the proper computation of the backwages due the private respondent, we resolve the same in favor of the petitioners. We have gone through the portions of the records pertinent to the resolution of this issue and we find that the Court of Appeals and the NLRC committed

reversible error in laying down the basis for the computation of private respondent's backwages.

There is no question that petitioners illegally dismissed private respondent Neal Cruz. Even petitioners themselves are no longer questioning the findings of the Labor Arbiter and the NLRC on this aspect. Petitioners main concern in this petition is the proper computation of backwages to be awarded to the private respondent who is rightfully entitled to the payment of backwages, the only question that remains is how much?

Backwages, in general, are granted on grounds of equity for earnings which a worker or employee has lost due to his illegal dismissal. (*Torillo vs. Leogardo, Jr., G.R. No. 77205, 27 May 1991, 197 SCRA 471*).^[32] It represents compensation that should be earned but was not collected because an employer has unjustly dismissed an employee. (*Lim vs. NLRC, G.R. No. 79907, 16 March 1989, 171 SCRA 328*).^[33] Thus, the payment of backwages is a form of relief that restores the income that was lost by reason of unlawful dismissal. (*Santos vs. NLRC, G.R. No. 76721, 21 September 1987, 154 SCRA 166*).^[34]

Article 279 of the Labor Code of the Philippines, as amended, provides that:

An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement. (*Underscoring supplied*)

Under Republic Act No. 6715, employees who are illegally dismissed are entitled to full backwages, among others, computed from the time their actual compensation was withheld from them up to the time of their actual reinstatement. If reinstatement is no longer possible, the backwages shall be computed from the time of their illegal termination up to the finality of the decision. (*Buenviaje vs. Court of Appeals, G.R. No. 147806, 12 November 2002, 391 SCRA 440*).^[35]

In the instant case, petitioners are questioning the basis of the Labor Arbiter's computation of private respondent's backwages as reflected in the August 29, 2000 Order.^[36] In the said order, the Labor Arbiter computed the total award to the respondent as follows:

1. BACKWAGES:

Basic Wage:

9/15/94 – 9/15/2000

P60,000.00 x 72 mos. = P 4,320,000.00

13th Month Pay

1/12 of 4,320,000.00 360,000.00

2. SEPARATION PAY:

(Reinstatement no longer feasible)

10/1/93 – 9/15/2000 = 6 yrs. & 11 mos.

P60,000.00 x 7 yrs. = P 420,000.00

TOTAL = P 5,100,000.00

3. ATTORNEY'S FEES

10% of P 5,100,000.00 = P 510,000.00

4. MORAL DAMAGES = 500,000.00

5. EXEMPLARY DAMAGES = 200,000.00

TOTAL AWARD P 6,310,000.00

Petitioners contend that contrary to established jurisprudence, the Labor Arbiter's computation of the amount due to the private respondent was principally based on the mistaken premise that complainant was entitled to backwages even beyond the closure and cessation of petitioners' newspaper business on January 19, 1998.^[37] Petitioners argue that this should not be the case because the amount of backwages should only be computed from the date of illegal

dismissal up to the time when reinstatement was still possible. Reinstatement could not have been possible beyond the date of the closure of the Manila Chronicle on January 19, 1998. Therefore, backwages should only be computed from September 15, 1994, the effectivity of private respondents termination by the petitioners until the date when the Manila Chronicle ceased publication.

Petitioners further contend that they only had one newspaper business and, with the closure of the same, the reinstatement of private respondent Neal Cruz to his former position as Editor-In-Chief became a physical and legal impossibility. Private respondent could not claim that he should have been appointed to another position with the petitioners because he was hired solely for his editorial skills. There is simply no equivalent or substantially equivalent position to which private respondent could be assigned in petitioners' organization.^[38]

This is not the first time that we resolved an issue of this nature. In the case of *Pizza Inn/Consolidated Foods Corporation vs. NLRC*, [G.R. No. L-74531, 28 June 1988, 162 SCRA 773],^[39] we ruled that:

An employer found guilty of unfair labor practice in dismissing his employee may not be ordered so to pay backwages beyond the date of closure of business where such closure was due to legitimate business reasons and not merely an attempt to defeat the order of reinstatement. (*Citing Columbian Rope Co. of the Philippines vs. Tacloban Association of Laborers and Employees*, G.R. No. L-14848, 31 October 1962, 6 SCRA 425. See also *Durable Shoe Factory vs. CIR*, G.R. No. L-77831, 31 May 1956).^[40]

In the case at bar, the Manila Chronicle ceased publication on January 19, 1998. The cessation of publication was a permanent one and it was precipitated by the paper's dire financial condition which was aggravated by a crippling strike causing it to finally shut down. Petitioners' closure of their newspaper business was made on legal and valid grounds. It was never resorted to as a means to deprive the private respondent of the opportunity to be reinstated to his former position. To allow the computation of the backwages due the private

respondent to be based on a period beyond January 19, 1998 would be an injustice to the petitioners.

Our power to exact retribution from erring employers for cases of illegal dismissal should not go beyond what is recognized as just and fair under the circumstances. While we are inclined more often than not toward the worker and uphold his cause in his conflicts with his employer, such favoritism has not blinded us to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and the applicable law and doctrine. (*Sosito vs. Aguinaldo Development Corporation, G.R. No. 48926, 14 December 1987, 156 SCRA 392*).^[4]

WHEREFORE, the petition is **GRANTED**. The November 13, 2002 Decision of the Court of Appeals as well as its March 17, 2003 Resolution in CA-G.R. SP No. 67933 are **SET ASIDE**. Respondent National Labor Relations Commission is **DIRECTED** to reinstate and give due course to petitioners' appeal for a determination of the amount of backwages to be paid to private respondent with further instructions to receive or require such further evidence as may be necessary. Pending the final determination of the correct amount of backwages due the private respondent, the NLRC is **ENJOINED** from conducting any enforcement or execution proceedings with respect to NLRC NCR Case No. 10-07187-94.

No pronouncement as to costs.

SO ORDERED.

Davide, Jr., C.J. (Chairman),^[*] Quisumbing,^[] Carpio, and Azcuna, JJ., concur.**

* On official leave.

** Acting Chairman.

[1] Penned by Justice Eubulo G. Versola and concurred in by Justices Jose L. Sabio, Jr. and Amelita G. Tolentino of the Special Third Division of the Court of Appeals. Rollo, pp. 85-91.

[2] Rollo, pp. 131-163.

[3] Id., pp. 246-247.

[4] Id., p. 173.

- [5] Id., p. 174.
- [6] Docketed as NLRC NCR Case No. 00-10-07187-94.
- [7] Rollo, pp. 171-192.
- [8] Id., pp. 211-212.
- [9] Id., pp. 240-241; composed of Associate Justice Conchita Carpio Morales (now a member of this Court) and Associate Justices Bernado P. Abesamis and Jainal D. Rasul.
- [10] Id., pp. 243-244.
- [11] Id., pp. 249-253.
- [12] Id., pp. 256-258.
- [13] Id., pp. 259-263.
- [14] Id., pp. 277-281.
- [15] Id., pp. 165-167.
- [16] Id., pp. 169-170.
- [17] Docketed as CA-G.R. SP No. 67933; Rollo, pp. 131-163.
- [18] Decision penned by Justice Eubulo G. Verzola, Chairman of the Third Division and concurred in by Associate Justices Jose L. Sabio, Jr. and Amelita G. Tolentino; Rollo, pp. 19-25.
- [19] Rollo, pp. 29-41.
- [20] Id., p. 52.
- [21] Id., p. 94.
- [22] Affidavit of Mr. Romeo Blanca, Rollo, pp. 120-124. Refer also to the Certification of the Postmaster of the Makati Central Post Office that work at all government post offices were suspended due to the Luzon wide power blackout. Rollo, p. 124.
- [23] (Enriquez vs. Court of Appeals, G.R. No. 140473, 28 January 2003, 396 SCRA 377).
- [24] (Equitable PCI Bank vs. Rosita Ku, G.R. No. 142950, 26 March 2001, 355 SCRA 309).
- [25] (El Reyno Homes, Inc. vs. Ernesto Ong, G.R. No. 142440, 17 February 2003, 397 SCRA 563).
- [26] [G.R. No. 108870, 14 July 1995, 246 SCRA 304].
- [27] [G.R. Nos. L-31303-04, 31 May 1978, 83 SCRA 453].
- [28] [G.R. No. L-44050, 16 July 1985, 137 SCRA 570].
- [29] [G.R. No. 81390, 29 August 1989, 177 SCRA 38].
- [30] Supra, pp. 316-317.
- [31] [368 Phil. 537 (1999)].
- [32] (Torillo vs. Leogardo, Jr., G.R. No. 77205, 27 May 1991, 197 SCRA 471).
- [33] (Lim vs. NLRC, G.R. No. 79907, 16 March 1989, 171 SCRA 328).
- [34] (Santos vs. NLRC, G.R. No. 76721, 21 September 1987, 154 SCRA 166).
- [35] (Buenviaje vs. Court of Appeals, G.R. No. 147806, 12 November 2002, 391 SCRA 440).
- [36] Rollo, p. 262.
- [37] Id., p. 36.
- [38] Id., p. 37.
- [39] [G.R. No. L-74531, 28 June 1988, 162 SCRA 773].

[40] (Citing *Columbian Rope Co. of the Philippines vs. Tacloban Association of Laborers and Employees*, G.R. No. L-14848, 31 October 1962, 6 SCRA 425. See also *Durable Shoe Factory vs. CIR*, G.R. No. L-77831, 31 May 1956).

[41] (*Sosito vs. Aguinaldo Development Corporation*, G.R. No. 48926, 14 December 1987, 156 SCRA 392).

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